

INDEPENDENT AUDITOR'S REPORT

**THE SECRETARY OF
ACTION AID ASSOCIATION,**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
ON 31st MARCH, 2024**

1. Opinion

We have audited the accompanying Financial Statements of **ACTION AID ASSOCIATION (AAA)** which comprise the Balance Sheet as of 31st March 2024, the statement of Income and Expenditure and Receipt and Payment Account for the year that ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, read with other notes given thereto, give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of Balance Sheet, of the state of affairs of the Society as of 31st March 2024;
- b) In the case of Statement of Income and Expenditure, of the deficit for the year ended on 31st March 2024;
- c) In the case of the Receipt and Payment account, of cash flows of its transactions for the year ended on 31st March 2024.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Accounting (SAs) issued by the Institute of Chartered Accountant of India. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the Code of Ethics issued by the Institute of Chartered Accountant of India together with the ethical



requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matter

We draw your attention to:

- a) The application of renewal of registration under FCRA has been refused by MHAI New Delhi with effect from 05.07.2024, as per online status report with remarks "The competent authority has rejected the renewal application under section 17 and 18 read with section 12(4)(a)(vii) of FCRA, 2010 as there are several violations such as Association received FC through Local Sources (Violation of section 17) and association provided incomplete details of bank statements in which FC received (Violation of section 18)". The Society has submitted the review application dated 02-08-2024 and hopeful for a positive outcome.
- b) Note No.3 of Schedule 10 forming part of the Financial Statements which describes Grant disbursements out of Local grants for the execution of various projects which are directly charged to the statement of Income and Expenditure as program expenditure. The Society is in the process of updating a tracker/control sheet for the amount utilized and unspent balances with sub-grantees at the end of the financial year. The unspent grant balances if any, lying with the NGO's will be recovered/utilised in the subsequent year(s).
- c) The audited utilization certificates in respect of utilized grant of Rs. 270.92 lakhs out of total grants disbursement of Rs. 279.50 Lakhs, are still pending to be received on the Balance sheet date.
- d) Note No.4 of Schedule 10 forming part of the Financial Statements which describes Unutilized /unspent grants of restricted funds aggregating to Rs. 1,256.10 lakhs as on 31.03.2024 out of which 698.19 lakhs (FC – Rs. 131.40 and LC - Rs. 566.79 Lakhs) are appearing for more than one year without any movement and also the project period for the same have already been completed for which extension of period are also not received from the respective donor(s).
- e) Note No.5 of Schedule 10 forming part of the Financial Statements which describes Grants receivable aggregating to Rs.918.80 lakhs as on 31.03.2024 out of which 681.55 lakhs (FC – Rs. 560.61 Lakhs and LC – Rs. 120.94 Lakhs) are pending for recovery for more than one year without any movement. However, in the opinion of the Management, these receivables are good for recovery and the Management is in the process of recovering these balances and the irrecoverable balances, if any, will be written off in the next financial year 2024-25.



- f) **Note No.6 Schedule 10 forming part of the Financial Statements which states that there is no movement in the balance of sponsorship fund during the year and balance Rs.6,55,28,465 remain outstanding as on 31/03/2024. The Management of the Society has to take a call for utilization of these fund balance in subsequent year(s).**
- g) **Note Nos 10 of Schedule 10 forming part of the financial statements regarding statutory dues payments such as Provident Fund, ESI, TDS & Professional Tax which are being made from one account i.e., IDBI Bank (0011104000435888) for both FC and NFC. As a result of which Rs.227.34 Lakhs are appearing in advances recoverable in schedule 6 of FC books and Rs.262.69 Lakhs as unpaid in the Local books under the head current liabilities schedule – 7. likewise, payments are shown as recoverable in the FC books which is not in accordance with FCRA and its Rules.**
- h) **Note No.11 Schedule 10 forming part of the Financial Statements regarding non-confirmation of balances of Rs. 326.08 Lakhs from various vendors and service providers. However, in the opinion of the management, these amounts are good for recovery.**
- i) **Note Nos 14 of Schedule 10 forming part of the financial statements regarding the strengthening of the existing process of the receipt, distribution and stock of relief materials due to non-maintenance of stock register of various types of materials and to further strengthen the documentation process such as beneficiary's acknowledgement etc., which is still in the process of its full implementation by the Management.**

Our opinion is not modified in respect of above matters.

4. Responsibility of Management for the Financial Statements

The Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position and expenditure of the Society in accordance with the accounting principles generally accepted in India, including Accounting Standards, to the extent applicable, prescribed by the Institute of Chartered Accountants of India.

This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Society and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that have been operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the Financial Statements, management is responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. The Management is responsible for overseeing the Society's financial reporting process.

5. Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings,

including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

6. Report on Other Legal and Regulatory Requirements

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Society so far as it appears from our examination of those books;
- c) The Balance Sheet, Statement of Income and Expenditure and Receipts & Payment Account of FCRA for the year ended 31st March 2024, dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards, to the extent applicable, issued by the Institute of Chartered Accountants of India.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN: 000038N

(Signature)

Anil Kumar Aggarwal
Partner
M. No. 087424
UDIN: 24087424BKG TN02585



Place: New Delhi

Date: September 09, 2024

ActionAid Association
Balance sheet as at 31 March 2024
(All amounts are in Indian Rupees, unless otherwise stated)

Schedule	As at 31st March 2024			As at 31 March 2023		
	FC	NFC	Total	FC	NFC	Total
Funds employed						
Unrestricted funds						
General fund	18,53,97,082	2,45,34,805	20,99,31,887	24,74,71,973	1,49,30,511	26,24,02,484
Restricted funds						
Sponsorship fund	1,82,75,248	10,73,35,015	12,56,10,263	1,96,23,092	9,67,63,023	11,63,86,115
Capital Assets Fund	-	6,55,28,465	6,55,28,465	-	6,55,28,465	6,55,28,465
	81,30,812	2,12,42,206	2,93,73,018	94,22,283	87,49,826	1,81,72,109
Total	21,18,03,142	21,86,40,491	43,04,43,633	27,65,17,347	18,59,71,825	46,24,89,173
Application of funds						
Fixed assets						
Gross block	2,77,08,913	19,57,222	2,96,66,135	2,69,97,827	19,57,222	2,89,55,049
Less: Accumulated depreciation	2,17,42,165	15,13,847	2,32,56,012	2,02,55,618	13,77,976	2,16,33,595
Net block	59,66,748	4,43,375	64,10,123	67,42,209	5,79,246	73,21,454
Donor Funded Fixed Assets	81,30,812	2,12,42,206	2,93,73,018	94,22,283	87,49,827	1,81,72,110
Current assets, loans and advances						
Cash and bank balances	8,58,74,477	20,64,89,551	29,23,64,028	16,96,01,386	17,86,06,277	34,82,07,663
Loans and advances	3,45,95,879	46,60,240	3,92,56,119	3,55,65,424	61,89,729	4,17,55,153
Grant Receivable (Refer Note No.5)	7,80,58,986	1,38,21,053	9,18,80,039	7,14,58,454	2,11,40,539	9,25,98,993
	19,85,29,342	22,49,70,844	42,35,00,186	27,66,25,264	20,59,36,545	48,25,61,809
Less: Current liabilities and provisions						
Current liabilities and provisions	8,23,760	2,80,15,935	2,88,39,695	1,62,72,409	2,92,93,792	4,55,66,201
	19,77,05,582	19,69,54,909	39,46,60,491	26,03,52,856	17,66,42,753	43,69,95,609
Net current assets	21,18,03,142	21,86,40,491	43,04,43,633	27,65,17,347	18,59,71,825	46,24,89,173
Total						

Significant accounting policies and notes to the account 10

The accompanying schedules form an integral part of the financial statements.

As per our report of even date attached

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

Firm Registration No.: 000038N

APM

Anil Kumar Aggarwal

Partner

Membership No.: 087424

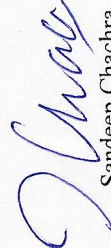
Place: New Delhi

Date : **09 SEP 2024**

For and on behalf of ActionAid Association



Venkateswar Nayak
Director - Finance



Sandeep Chachra
Secretary



ActionAid Association
Statement of Income and Expenditure for the year ending 31 March 2024
(All amounts are in Indian Rupees, unless otherwise stated)

Schedule	For the year ended 31 March 2024			For the year ended 31 March 2023		
	FC	NFC	Total	FC	NFC	Total
Income						
Grants received from ActionAid International and its affiliates	17,39,69,973	-	17,39,69,973	22,08,16,370	-	22,08,16,370
General Donations	3,31,132	2,67,14,539	2,70,45,671	19,050	3,81,69,870	3,81,88,920
Amount transferred from restricted and sponsorship funds to the extent of expenditure incurred						
- restricted funds						
2	4,50,60,512	26,38,37,659	30,88,98,171	7,25,85,108	34,95,93,826	42,21,78,934
Other income:						
- Interest income(Net of Rs. 9,04,120 Allocation to restricted fund)	38,65,039	55,40,972	94,06,011	58,98,365	46,88,174	1,05,86,539
Total	22,32,26,656	29,60,93,170	51,93,19,826	29,93,18,893	39,24,51,871	69,17,70,763
Expenditure						
Grants disbursed to NGOs (Refer Note 3)						
- restricted funds	-	2,60,60,196	2,60,60,196	-	2,55,00,175	2,55,00,175
- Others	-	18,89,505	18,89,505	-	47,34,994	47,34,994
Direct programme expenses						
- restricted funds	4,29,39,374	23,04,85,297	27,34,24,671	6,53,92,032	31,44,14,750	37,98,06,782
- Affiliates/Others	20,08,48,908	18,36,408	20,26,85,316	14,63,41,717	83,84,280	15,47,25,997
Depreciation	14,86,547	1,35,871	16,22,418	16,48,025	1,96,600	18,44,625
Employee benefits expense	2,46,88,611	85,11,747	3,32,00,358	4,89,83,083	98,97,069	5,88,80,152
Administrative and other expenses	1,53,38,108	1,75,69,852	3,29,07,960	1,37,39,326	2,12,75,329	3,50,14,654
Total	28,53,01,546	28,64,88,876	57,17,90,423	27,61,04,183	38,44,03,196	66,05,07,379
Excess/(Shortfall) of income over expenditure transferred to General Fund	(6,20,74,891)	96,04,294	(5,24,70,597)	2,32,14,710	80,48,675	3,12,63,384

Significant accounting policies and notes to the accounts 10

The accompanying schedules form an integral part of the financial statements.

As per our report of even date attached

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

Firm Registration No.: 000038N

(Signature)

Anil Kumar Aggarwal

Partner

Membership No.: 087424

Place: New Delhi

Date :

09 SEP 2024



For and on behalf of ActionAid Association

(Signature)

Verketswar Nayak

Director - Finance

(Signature)

Sandeep Chachra

Secretary

ActionAid Association
Schedule to the financial statements for the year ended 31 March 2024
(All amounts are in Indian Rupees, unless otherwise stated)

	As at 31 March 2024			As at 31 March 2023		
	FC	NFC	Total	FC	NFC	Total
Schedule 1: General fund						
Opening balance	24,74,71,973	1,49,30,511	26,24,02,484	22,42,57,263	68,81,836	23,11,39,099
Add: Transferred from statement of income and expenditure	(6,20,74,891)	96,04,294	(5,24,70,596)	2,32,14,710	80,48,675	3,12,63,384
	18,53,97,082	2,45,34,805	20,99,31,887	24,74,71,973	1,49,30,511	26,24,02,484
Schedule 2 : Restricted funds						
Specific Projects Fund						
Opening balance	(5,18,35,363)	7,56,22,486	2,37,87,124	(4,73,34,827)	6,73,37,762	2,00,02,935
Add : Funds received during the year	3,71,12,137	28,17,29,135	31,88,41,271	6,80,84,572	35,78,78,550	42,59,63,123
	(1,47,23,226)	35,73,51,621	34,26,28,395	2,07,49,745	42,52,16,312	44,59,66,058
Less : Funds Utilized during the year	-	2,60,60,196	2,60,60,196	-	2,55,00,175	2,55,00,175
(i) Grants disbursed to other NGOs	4,17,83,521	21,23,69,610	25,41,53,131	6,28,41,934	30,99,51,343	37,27,93,277
(ii) Expenditure on projects	11,55,853	1,81,15,687	1,92,71,540	25,50,098	44,63,407	70,13,505
(iii) Expenditure on Fixed Assets	21,21,138	72,92,166	94,13,304	71,93,076	96,78,901	1,68,71,977
(iv) Recovery of Management Cost (Refer Note 7)	4,50,60,512	26,38,37,659	30,88,98,171	7,25,85,108	34,95,93,826	42,21,78,934
Total Utilization	(5,97,83,738)	9,35,13,962	3,37,30,225	(5,18,35,363)	7,56,22,486	2,37,87,124
Net Balance						
Unspent Balance	1,82,75,248	10,73,35,015	12,56,10,263	1,96,23,092	9,67,63,023	11,63,86,115
Grant Receivable(Refer Note No. 5)	(7,80,58,986)	(1,38,21,053)	(9,18,80,039)	(7,14,58,454)	(2,11,40,539)	(9,25,98,993)
Schedule 3 : Sponsorship fund						
(Refer Note - No. 6)	-	6,55,28,465	6,55,28,465	-	6,55,28,465	6,55,28,465
Opening balance	-	-	-	-	-	-
Add : Funds received during the year	-	6,55,28,465	6,55,28,465	-	6,55,28,465	6,55,28,465
Less: Grants disbursed during the year	-	-	-	-	-	-
	-	6,55,28,465	6,55,28,465	-	6,55,28,465	6,55,28,465
Schedule 4 : Capital Assets Fund						
Opening balance	94,22,283	87,49,826	1,81,72,109	90,37,602	63,13,332	1,53,50,934
Add : Additions during the year	11,55,853	1,81,15,687	1,92,71,540	25,50,098	44,63,407	70,13,505
	1,05,78,136	2,68,65,513	3,74,43,649	1,15,87,700	1,07,76,739	2,23,64,439
	24,47,324	56,23,307	80,70,632	21,65,417	20,26,912	41,92,330
Less: Depreciation charged during the year	81,30,812	2,12,42,206	2,93,73,018	94,22,283	87,49,826	1,81,72,109



ActionAid Association

Schedule to the financial statements for the year ended 31 March 2024

(All amounts are in Indian Rupees, unless otherwise stated)

Schedule 5: Fixed Assets

NON FOREIGN CONTRIBUTION (NFC)

Particulars	Gross block				Accumulated depreciation			Net block	
	As at 1 April 2023	Additions during the year	Deletions/ adjustments	As at 31 March 2024	As at 1 April 2023	For the year	On deletion/ adjustments	As at 31 March 2024	As at 31 March 2023
Tangible Asset									
Computers	11,75,740	-	-	11,75,740	9,69,470	82,508	-	10,51,978	2,06,270
Office equipment	6,01,238	-	-	6,01,238	3,07,821	44,013	-	3,51,833	2,93,417
Vehicle	82,932	-	-	82,932	55,075	4,179	-	59,254	27,857
Furniture and fixtures	97,312	-	-	97,312	45,612	5,170	-	50,782	51,700
Total	19,57,222	-	-	19,57,222	13,77,978	1,35,869	-	15,13,847	5,79,244
Previous Year	18,26,728	1,30,494	-	19,57,222	11,81,377	1,96,600	-	13,77,976	6,45,351

FOREIGN CONTRIBUTION (FC)

Particulars	Gross block				Accumulated depreciation			Net block	
	As at 1 April 2023	Additions during the year	Deletions/ adjustments	As at 31 March 2024	As at 1 April 2023	For the year	On deletion/ adjustments	As at 31 March 2024	As at 31 March 2023
Tangible assets									
Computers	1,43,62,895	5,86,919	-	1,49,49,814	1,33,24,756	6,50,023	-	1,39,74,779	10,38,139
Office equipment	92,38,722	46,400	-	92,85,122	46,34,193	6,97,639	-	53,31,832	46,04,529
Vehicle	22,80,282	-	-	22,80,282	17,87,463	73,923	-	18,61,386	4,92,819
Furniture and fixtures	11,15,928	77,767	-	11,93,695	5,09,207	64,962	-	5,74,168	6,06,721
Total	2,69,97,827	7,11,086	-	2,77,08,913	2,02,55,618	14,86,547	-	2,17,42,165	67,42,209
Previous Year	2,67,61,986	2,35,841	-	2,69,97,827	1,86,07,593	16,48,025	-	2,02,55,618	81,54,393

Total - NFC+FC

Particulars	Gross block				Accumulated depreciation			Net block	
	As at 1 April 2023	Additions during the year	Deletions/ adjustments	As at 31 March 2024	As at 1 April 2023	For the year	On deletion/ adjustments	As at 31 March 2024	As at 31 March 2023
Tangible assets									
Computers	1,55,38,635	5,86,919	-	1,61,25,554	1,42,94,225	7,32,532	-	1,50,26,757	12,44,410
Office equipment	98,39,960	46,400	-	98,86,360	49,42,014	7,41,652	-	56,83,665	48,97,946
Vehicle	23,63,214	-	-	23,63,214	18,42,539	78,101	-	19,20,639	5,20,675
Furniture and fixtures	12,13,240	77,767	-	12,91,007	5,54,818	70,132	-	6,24,950	6,58,422
Total	2,89,55,049	7,11,086	-	2,96,66,135	2,16,33,596	16,22,416	-	2,32,56,012	73,21,453
Previous Year	2,85,88,714	3,66,335	-	2,89,55,049	1,97,88,970	18,44,625	-	2,16,33,595	87,99,744



ActionAid Association
Schedule to the financial statements for the year ended 31 March 2024
(All amounts are in Indian Rupees, unless otherwise stated)

	As at 31 March 2024			As at 31 March 2023		
	FC	NFC	Total	FC	NFC	Total
Schedule 6: Current assets, loans and advances						
Cash and bank balances						
Cash in hand	1,52,136	1,12,349	2,64,485	1,62,858	2,18,238	3,81,096
Balances with scheduled banks			-			-
- in saving accounts	8,56,16,928	20,49,80,554	29,05,97,482	16,93,33,115	17,78,91,391	34,72,24,506
- in current accounts	1,05,413	2,46,648	3,52,061	1,05,413	2,46,648	3,52,061
- in deposit with Bank	-	11,50,000	11,50,000	-	2,50,000	2,50,000
	8,58,74,477	20,64,89,551	29,23,64,028	16,96,01,386	17,86,06,277	34,82,07,663

Loans and advances						
<i>(Unsecured, considered good)</i>						
Advances recoverable in cash or in kind or for value to be received	2,68,13,257	35,91,740	3,04,04,997	3,07,48,360	51,87,229	3,59,35,589
Advances to employees	21,83,154	20,000	22,03,154	27,00,401	-	27,00,401
Security deposits	20,75,195	10,48,500	31,23,695	21,16,663	10,02,500	31,19,163
Gratuity (Fund Balance with LIC net of liability)	30,42,584	-	30,42,584	-	-	-
Earned leaves (Fund Balance with LIC net of liability)	4,81,689	-	4,81,689	-	-	-
	3,45,95,879	46,60,240	3,92,56,119	3,55,65,424	61,89,729	4,17,55,153

Schedule 7: Current liabilities and provisions						
Sundry creditors	7,39,459	50,55,799	57,95,258	73,15,837	61,49,028	1,34,64,865
Employee related payables	84,300	2,29,60,136	2,30,44,436	11,48,401	2,31,44,764	2,42,93,165
Gratuity Provision (Net of Fund balances with LIC)	-	-	-	48,17,750	-	48,17,750
Provision for earned leaves	-	-	-	29,90,420	-	29,90,420
	8,23,760	2,80,15,935	2,88,39,695	1,62,72,409	2,92,93,792	4,55,66,201



ActionAid Association
Schedule to the financial statements for the year ended 31 March 2024
(All amounts are in Indian Rupees, unless otherwise stated)

	For the year ended 31 March 2024			For the year ended 31 March 2023		
	FC	NFC	Total	FC	NFC	Total
Schedule 8: Employee benefits expense						
Salaries and wages	7,90,13,418	2,48,30,899	10,38,44,317	7,84,06,755	3,83,92,664	11,67,99,419
Contribution to provident fund	52,08,493	15,76,837	67,85,330	55,21,249	24,33,012	79,54,261
Contribution for gratuity	57,78,312	20,00,000	77,78,312	15,89,001	-	15,89,001
Leave Encashment	(4,57,870)	8,23,656	3,65,786	(12,45,544)	1,84,112	(10,61,432)
Staff welfare expenses	3,16,034	4,61,336	7,77,370	8,14,662	16,046	8,30,708
Staff Health Insurance	41,91,082	9,31,830	51,22,912	17,864	1,820	19,684
Contribution to ESI	16,813	-	16,813			
Prior Period Expenses	52,60,833		52,60,833			
	9,93,27,115	3,06,24,558	12,99,51,673	8,51,03,987	4,10,27,654	12,61,31,641
Less: Salary Allocation directly to Restricted/Donor Funded projects and allocation to Program Expenses out of fund received from ActionAid International and its Affiliates	7,46,38,504	2,21,12,811	9,67,51,315	3,61,20,904	3,11,30,585	6,72,51,489
Net Employee Benefit Cost	2,46,88,611	85,11,747	3,32,00,358	4,89,83,083	98,97,069	5,88,80,152



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ActionAid Association

Schedule to the financial statements for the year ended 31 March 2024

(All amounts are in Indian Rupees, unless otherwise stated)

	For the year ended 31 March 2024			For the year ended 31 March 2023		
	FC	NFC	Total	FC	NFC	Total
Schedule 9: Administrative and other expenses						
Consultancy Expenses	30,36,237	67,20,673	97,56,910	26,88,296	59,71,411	86,59,707
Rent	15,51,918	(11,430)	15,40,488	13,43,613	26,926	13,70,539
Telephone & Email Charges	14,87,165	42,294	15,29,459	10,77,403	50,026	11,27,429
Travelling and conveyance	31,01,415	4,22,636	35,24,051	15,91,508	5,21,100	21,12,608
Office repair & Maintenance	17,40,682	55,437	17,96,119	14,75,325	61,066	15,36,391
Auditors' remuneration:	9,20,400	-	9,20,400	9,20,400	-	9,20,400
Awareness and dissemination	2,28,157	-	2,28,157	1,45,992	21,801	1,67,793
Bank Charges	1,02,836	2,85,847	3,88,683	1,41,708	5,44,247	6,85,955
Books and periodicals	2,61,022	24,177	2,85,199	1,54,247	11,800	1,66,047
Computer maintenance expenses	1,58,124	53,900	2,12,024	3,60,062	1,64,742	5,24,804
Electricity and water	10,71,853	500	10,72,353	9,37,390	4,073	9,41,463
Organisation Promotional event	25,532	99,16,173	99,41,705	7,61,804	1,37,97,052	1,45,58,856
Postage and Courier	5,13,977	200	5,14,177	7,51,931	1,700	7,53,631
Printing and stationery	1,92,164	53,563	2,45,727	1,90,796	75,024	2,65,820
Software Expenses-Others	4,62,385	-	4,62,385	3,28,918	2,360	3,31,278
Staff Recruitment Expenses	1,18,280	-	1,18,280	1,84,449	16,589	2,01,038
Training and workshops	-	-	-	3,13,008	4,934	3,17,942
Vehicle Running Expenses	2,71,957	-	2,71,957	3,61,094	-	3,61,094
Interest/Penalty on TDS/PF/Others	94,004	5,882	99,886	11,381	478	11,859
	1,53,38,108	1,75,69,852	3,29,07,960	1,37,39,326	2,12,75,329	3,50,14,654



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ActionAid Association

Schedules forming parts of the financial statements

(All amounts are in Rupees unless otherwise stated)

Schedule 10: Significant accounting policies and notes to the accounts

I. Background

ActionAid Association ('AAA' or 'the Society') is registered under the Societies Registration Act, 1860 vide registration certificate number S-56828 dated 5 October 2006.

The Society has been granted registration under section 12A read with section 12AA of the Income Tax Act, 1961, vide letter no. DIT(E)/12A/2008-09/A-2513/119 dated 25 April 2008. The Society has also obtained registration under section 80G(5)(vi) of the Income Tax Act, 1961 vide Order No. DIT (E) 2011-12/A-2513/5744 dated 29 March 2012 for the period from 1 April 2012 till it is rescinded. The society has also obtained renewal of registration vide URN AAAAAA9409QE20086 & AAAAAA9409QE20084 dated 23th September 2021 under section 12A and 80G(5)(vi) respectively for a further period of five years up to assessment year 2026-27.

The Society has been registered under the Foreign Contribution (Regulation) Act, 1976 for carrying out activities of social nature with registration no. 231661299, vide letter no.

II/21022/83(0070)/2011-FCRA.II- dated 29 December 2011. The Society has filed an application for renewal of registration with MHA on 25th June 2021 with a file No. 8303522021 in FORM FC-3C as per provisions of Section 16(2) of FCRA, 2010.

The application of renewal of registration under FCRA has been refused by MHAI New Delhi with effect from 05.07.2024 as per online status report with remarks "The competent authority has rejected the renewal application under section 17 and 18 read with section 12(4)(a)(vii) of FCRA, 2010 as there are several violations such as Association received FC through Local Sources (Violation of section 17) and association provided incomplete details of bank statements in which FC received (Violation of section 18)". The Society has submitted the review application dated 02-08-2024 and pleads that compounding of an offense u/s 41 of Foreign Contribution (Regulation), 2010 Act be applied for the omissions as observed by the competent Authority under the sections 17 and 18 of the FCRA 2010. The society is hopeful for a positive outcome.

The Society received funds for charitable purpose in India. The Society aims to deepen understanding of people ability for progressive expression and solidarities within the context of widespread social and ecological injustice, economic, political, and cultural dispossession and feminization of dispossession.

II. Significant accounting policies

(a) Basis of preparation of financial statements

The accompanying financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting, in accordance with Generally Accepted Accounting Principles ('GAAP') in India, and in all material aspects comply with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India as applicable for Level III Non-Corporate entity.



ActionAid Association

Schedules forming parts of the financial statements

(All amounts are in Rupees unless otherwise stated)

(b) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of income and expenses during the reporting period. Examples of estimates include useful life of fixed assets etc. Actual results could differ from these estimates. Any changes in estimates are adjusted prospectively.

(c) Fund accounting and Revenue recognition

- (i) Grants received from Action Aid International and its affiliates is recognized as Income in the Statement of Income and Expenditure on receipt basis.
- (ii) Grants received for which there are stipulations/ restrictions as to its use is recognized in the Statement of Income and Expenditure as income in the year of its utilization and as at the balance sheet date, to the unutilized grant amount which is represented by the restricted funds in the Balance Sheet. At the end of the completion of the agreement, the unutilized restricted fund is returned to the respective donor; in case, the agreement so provides for it. In case the unutilized amount is not required to be refunded to the respective donor, the same is transferred to Statement of Income and Expenditure as income in the relevant year in which the project agreement is completed.
- (iii) Remittances received from donors for specific projects/activities/purposes are shown as restricted funds. Disbursements made to other non-governmental organizations for the implementation of program activities is treated as project expenditure and simultaneously reduced from the restricted funds and included in the Statement of Income and Expenditure as "Amount transferred from restricted funds to the extent of expenditure incurred".
- (iv) Unrestricted funds/grants, general donations and contributions received or funds generated by the Society, the use of which is not restricted by the contributors/donors are recognized as income on receipt basis.
- (v) Interest income on savings bank accounts and fixed deposits is accounted on accrual basis. Interest earned on restricted fund received in advance and kept in a separate bank account, as per donor requirement, is added to the respective donor fund.

(d) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the respective transactions.

(e) Fixed assets and Depreciation

Fixed assets, both movable and immovable, purchased or created out of both restricted / unrestricted funds and are in the custody/physical possession of the society are capitalized in its books of accounts and purchased or created out of both restricted funds and are in the custody/physical possession of



ActionAid Association

Schedules forming parts of the financial statements

(All amounts are in Rupees unless otherwise stated)

the society are not capitalized in its books of accounts but treated as expenditure in the year of purchase/acquisition. However, Fixed assets purchased by the implementing partner organizations out of grants given by the society as a part of program implementation is capitalized by the respective partner organizations in their books of accounts.

Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation, less accumulated depreciation and impairment losses, if any. Cost is inclusive of freight, duties, taxes and other directly attributable costs incurred to bring the assets to their working condition for intended use.

Depreciation on fixed assets is provided on written down value method in accordance with the rate prescribed under Appendix I in the Income Tax Rule, 1962.

Asset	Rate per annum (in %)
Computers	40
Office equipment	15
Vehicles	15
Furniture and fixtures	10

The above rates and methods of depreciation are also in line with the estimated useful lives, as determined / assessed by the management.

The appropriateness of depreciation rate and depreciation method is reviewed by the management in each financial year.

Individual assets received as donations, if any, is recognized in the books of accounts at Rs.1.

Depreciation on the Medical Equipments purchased during the year 2021-22 out of Restricted Grants is provided for on straight line method with the estimated useful life of 4 years, as assessed by the management.

(f) Impairment of assets

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognized in the Statement of Income and Expenditure. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

(g) Provisions, contingent liabilities and contingent assets

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote,



no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the year in which the change occurs.

(h) Leases

As a lessee

Lease payment under an operating lease is recognized as expenditure in the Statement of Income and Expenditure on a straight-line basis over the lease term.

(i) Employee Benefit

Employee's benefits comprise provident fund, gratuity and leave encashment/ compensated absences.

Defined contribution plan – Provident Fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Society has no further obligations and charged as an expense in the Statement of Income and Expenditure. Such benefits are classified as Defined Contribution Plan, as the Society does not carry any obligation, apart from the contributions made on a monthly basis to the said regulatory authorities.

Defined Benefit plan – Gratuity/Leave encashment plan (Funded):

- Contribution towards Society's gratuity & leave encashment liability made to the Life Insurance Corporation of India (LIC) are adjusted against the gratuity liability determined by an independent actuary at the balance sheet date on the basis of "Projected Unit Credit Method" and the short fall, if any, is charged to the Statement of Income and Expenditure.
- Actuarial gains and losses comprise experience adjustments and the effects of change in actuarial assumptions are recognized in the Statement of Income and Expenditure as income or expense in the year in which they arise.
- Benefit for leave encashment is being taken as per the society's policy, maximum leaves carry forward per year is 10 days & maximum leaves accumulation in service is 30 Days.

Employee State Insurance

AAA is also registered under Employees State Insurance Corporation Act, 1948. The Society has covered all its employees, who in accordance with Employee State Insurance Corporation Act, 1948 are eligible for Employee State Insurance under Society's Group Medclaim Insurance Policy.

j) Expenditure through NGOs

The Society implements its programmes for strengthening training, research, and policy development in the area of eradication of poverty through projects conducted by itself or by other local non-governmental organisational to which it disburses grants. Accordingly, expenditure incurred by the Society during the year to monitor such non- governmental organisational (NGOs) and implement their internal projects is directly charged to the Statement of Income and Expenditure.



III. Notes to the Accounts:**1. Employee Benefit Obligations:**

Provident fund: An amount of Rs. 67,85,330 (Previous year Rs. 79,54,261) has been recognized as an expense in respect of the AAA's contribution for provident fund deposited with the government authorities and has been shown under Employee benefits expense in the Statement of Income and Expenditure.

Gratuity plan: The Society operates a gratuity plan wherein every regular and contractual employee with fixed term of three years and above, 30 days of Basic Salary is paid as Gratuity for every completed year of service, on completion of 3 years, and employee with fixed term of three years and below, 15 days of Basic Salary paid as Gratuity on completion of 5 years of service for every completed year of service, are eligible for gratuity as per the group gratuity scheme of the Life Insurance Corporation of India. In addition, in case of death in service, the legal heir / heiress or the nominee of the staff as the case may be, is eligible to receive gratuity for the balance potential service up to the normal retirement age.

Principal actuarial assumptions in respect of provision for gratuity and leave encashment at the balance sheet date are as follows:

Particulars	As at 31March 2024	As at 31March 2023
Discount rate*	7.17%	7.31%
Expected rate of salary increase*	3.50%	3.50%
<u>Maximum Limit of the Gratuity Benefits</u>		
-Regular Employees	No Limit	No Limit
-Contractual Employees	Rs. 20,00,000	Rs. 20,00,000
<u>Retirement Benefits</u>		
-Regular Employees	30 Days Salary	30 Days Salary
(Eligibility after 3 years of Service)		
-Contractual Employees	15 Days Salary	15 Days Salary
(Eligibility after 5 years of Service)		
Maximum accumulation of leaves	30 Days	30 Days
Maximum Carry forward	10 Days	10 Days
Demographic assumptions		
Retirement age	58 Years	58 Years
Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate Table	Standard Indian Assured Lives (2006-08) Ultimate Table
Attrition rates (%):	14%	14%

*The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.



Provision for gratuity has been made in respect of all eligible employees who have completed at least six months of service with the society as per Payment of Gratuity Act, 1972. The society is having a Group Gratuity Scheme for its employees with Life Insurance Corporation of India and provision has been made in the Statement of Income and Expenditure as per the Actuarial Valuation Certificate given by the independent actuary at the year end. The society has taken 2 numbers of group gratuity policies as on 31-03-2024. The details of aggregate liability and fund balance with LIC of two policies are as under:

Particulars	(Amount in Rs.)			
	Gratuity		Leave Benefits	
	As on 31.03.2024	As on 31.03.2023	As on 31.03.2024	As on 31.03.2023
No. of employees	123	123	123	123
Claim Paid from Plan	84,19,312	72,13,776	3,85,901	-
Claim Paid Directly from society	3,14,723	-	4,71,237	2,87,937
Interest received on fund balance	44,07,268	32,03,625	2,48,976	-
Contribution paid during the year	1,53,23,924	91,10,838	37,52,558	-
Present Value of defined benefits obligations	5,60,56,535	5,26,04,990	31,33,945	29,90,420
Fair value of the Plan assets	5,90,99,120	4,77,87,239	36,15,634	-
Net Assets /(Liability) Recognised in the Balance sheet	30,42,584	(48,17,751)	4,81,689	(29,90,420)
Benefit cost recognised in P&L	77,78,312	15,89,001	7,51,687	(10,60,892)

2. Fixed Assets:

Fixed assets procured by the society out of local/foreign funds (restricted/unrestricted) during the financial year 2023 - 24 for community use is charged directly as program expenditure in the Statement of Income and Expenditure.

Up to the financial year 2019-20, fixed assets purchased out of restricted grants have also been capitalized in the books of the society by reducing the program expenditure. W.e.f. the FY 2020-21, Fixed assets procured out of restricted grants have been charged to the statement of income and expenditure as program expenditure. Further, such assets have also been capitalized separately under schedule 5a as fixed assets procured out of, Donor's funds and an equivalent amount of fixed assets have been shown under Capital Assets Fund under Schedule 4 in the balance sheet liability side for exercising physical and quantitative control during their useful life. During the year, expenditure amounting to Rs.192.71 lakhs (Previous Year Rs. 70.13 Lakhs) have been incurred on procurement of Fixed Assets.

3. Disbursements to NGOs

- Grant disbursements aggregating to Rs. 279.50 Lakhs (Previous year Rs. 302.35 Lakhs) have been made during the FY 2023 - 24 to various NGO's out of Non-FC Funds for execution of various projects. The Society is in the process of updating a tracker/control sheet for the amount utilized and unspent balances with sub-grantees at the end of the financial year. The unspent grant balances if any, lying with the NGO's will be recovered/utilised in the subsequent year(s).



- b). The Society is in process of obtaining the audited utilization certificates for end use of fund's disbursements to NGOs from the independent firm of chartered accountants. The audited utilization certificates in respect of utilized grant of Rs. 270.92 lakhs (Previous year Rs. 289.43 Lakhs) are still pending to be received on the Balance sheet date.

4. Unspent Restricted Grant Balances

Unutilized/unspent grants of restricted funds aggregating to Rs. 1,256.10 lakhs (FC – Rs. 182.75 Lakhs and LC - Rs. 1073.35 Lakhs) as on 31.03.2024 out of which 698.19 lakhs (FC – Rs. 131.40 and LC - Rs. 566.79 Lakhs) are appearing for more than one year without any movement and also the project period for the same have already been completed for which extension of period are also not received from the respective donor(s).

5. Restricted Grant Receivable

Grants receivable aggregating to Rs.918.80 lakhs (FC – Rs.780.59 Lakhs and LC - Rs. 138.21 Lakhs) as on 31.03.2024 out of which 681.55 lakhs (FC – Rs. 560.61 Lakhs and LC – Rs. 120.94 Lakhs) are pending for recovery for more than one year without any movement. However, in the opinion of the Management, these receivables are good for recovery and the Management is in the process of recovering these balances and the irrecoverable balances, if any, will be written off in the next financial year 2024-25.

6. Sponsorship Fund

There is no movement in the balance of sponsorship fund during the year and balance Rs.6,55,28,465 remain outstanding as on 31/03/2024. The Management of the Society has to take a call for utilization of these fund balance in subsequent year(s).

7. Recovery of Management Cost

An aggregate amount of Rs. 94.13 Lakhs (F.C- Rs. 21.21 Lakhs & NFC- Rs.72.92 Lakhs) (Previous Year- Rs. 168.72 Lakhs) have been recovered/charged as "Management Cost Recovery" to the restricted funds as fixed percentage of direct cost as per terms of MOUs, which has been shown as income in the statement of Income and Expenditure.

8. Interest Allocation to the Project Fund

Interest earned on the specific saving bank accounts aggregating to Rs.9.04 Lakhs (Previous Year Rs. 12.34 lakhs) have been allocated to the respective project funds during the FY 2023 – 24 on the basis of Utilization Certificates submitted to the donor agencies and to that extent, interest income on saving bank accounts have been shown as net in the Statement of Income and Expenditure.

9. Salary Allocation to the Projects

Salary shown in schedule 8 Employee benefit expense are net of salary allocation of Rs 967.51 Lakhs (FCRA Rs.746.38 Lakhs and NFC Rs. 221.13 Lakhs) (Previous Year Rs. 672.51 Lakhs (FCRA Rs. 361.21 Lakhs and NFC Rs. 311.30 Lakhs) allocated to Restricted/Donor Funded Projects and program expenses out of funds received from Actionaid international and its Affiliates (FCRA)

10. Payment of Statutory Dues



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ActionAid Association

Schedules forming parts of the financial statements

(All amounts are in Rupees unless otherwise stated)

All statutory dues payments such as Provident Fund, ESI, TDS & Professional Tax are being made from one account i.e., IDBI Bank (0011104000435888) for both FC and NFC. As a result of which Rs.227.34 Lakhs are appearing in advances recoverable in schedule 6 of FC books and Rs. 262.69 Lakhs as unpaid in the Local Books under the head Current Liabilities, Schedule 7.

11. Balance Confirmations

The confirmation of balances from various vendors and other service providers have not been obtained by the management. However, in the opinion of the Management of the Society, unsettled advances of employees and vendors aggregating to Rs. 326.08 Lakhs (Previous year Rs.386.36 lakhs) are good for recovery.

12. Internal Control

The Management has initiated steps to strengthen/revamp the existing process of distribution of relief materials including maintenance of beneficiaries list, rationalizing the terms and conditions of advance payments to vendors /consultants etc. Further, the maker checker concept, which is an essential part of Internal Control, need to be strengthened and effectively implemented. Further periodical review and update of its books of accounts at regular intervals is very essential for timely action.

13. Internal Audit

At present the organization is having a formal Internal Audit system. In view of the large quantum of its transactions its nature and size, an adequate internal audit needs to be carried out in a timely & effective manner so as to adhered the desired results.

14. Stock Movement of Assets

Assets are lying at various locations of ActionAid Association at the end of the financial year. The value & quantity of the undistributed assets to the beneficiaries could not be ascertained by the Management in the absence of stock movement register.

15. Income Taxes

- a) The society is registered under section 12A read with sections 12AA of Income Tax Act, 1961 vide letter dated April 25, 2008 and renewed till AY 2026 - 27 and subject to compliance with the conditions specified therein, it is not presently, liable to pay income tax on excess of income over expenditure in a particular financial year.
- b) TDS demand aggregating to Rs.8,58,300 is appearing on the Traces for which rectification action is yet to be done.
- c) TDS under section 194C was short deducted by Rs.7,627.

16. Number of Bank Accounts are inoperative for which the Management is yet to taken the action for its closure and in some bank accounts conformations of balance are pending.



ActionAid Association**Schedules forming parts of the financial statements**

(All amounts are in Rupees unless otherwise stated)

17. The Society is classified as Small and Medium Sized Enterprise (SME), being Level – III for the purposes of applicability of Accounting Standards as defined by the Council of the Institute of Chartered Accountants of India. Accordingly, the Society has complied with the Accounting Standards and availed certain exemptions as applicable to a Small and Medium Sized Enterprise. Accordingly, the society has not recognized any provision for income tax in its books of accounts.
18. The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, there are no outstanding balance to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Society has not received any claim for interest from any supplier under the said Act.

19. Leases

The Society has taken office premises under operating lease arrangements. The lease rent paid during the year amounting to Rs. 34.20 Lakhs (Previous year Rs. 43.42 Lakhs) out of which Rs. 18.80 Lakhs have been allocated to various projects as management cost recovery.

20. Expenditure in foreign currency

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Travelling and conveyance	NIL	NIL

21. Related Parties

- (a) Related parties where transactions have taken place during the year:

Name of the Party	Relationship
Action Aid International, United Kingdom	Affiliate
Mr. Sandeep Chachra	Secretary

- (b) Related parties where transactions have taken place during the previous year:

Name of the Party	Relationship
Action Aid International, Netherland	Affiliate
Mr. Sandeep Chachra	Secretary

- (c) Related party and nature of the relationship with whom transactions have taken place during the year:

Name of the Party	Nature of transaction	For the year ended 31 March 2024	For the year ended 31 March 2023



ActionAid Association

Schedules forming parts of the financial statements

(All amounts are in Rupees unless otherwise stated)

Action Aid International, UK	Receipt of funds/grants	17,39,69,973	22,08,16,370
Mr. Sandeep Chachra	Salary	65,89,678	59,54,652

22. Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to current year's classification

As per our report of even date attached

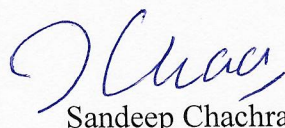
For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firm Registration No.: 000038N



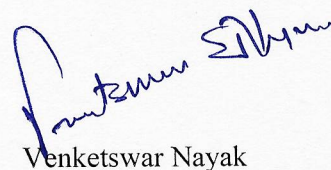
Anil Kumar Aggarwal
Partner

Membership No.: 087424
Place: New Delhi
Date: September 09, 2024

For and on behalf of
Action Aid Association



Sandeep Chachra
Executive Director



Venkateswar Nayak
Director - Finance

